

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB631

Hearing Date: Monday February 09, 2009
Committee On: Business and Labor
Introducer: Business and Labor
One Liner: Change Employment Security Law provisions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Carlson, Council, Lathrop, McGill, Wallman, White
Nay:
Absent: 1 Senator Schilz
Present Not Voting:

Proponents: Molly Burton Catherine Lang	Representing: Introducer Department of Labor
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Opponents:	Representing:
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Neutral:	Representing:
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Summary of purpose and/or changes:

LB 631 was introduced at the request of the Department of Labor.

Section 1 amends Neb. Rev. Stat. 48-612.01 to correct grammatical errors in LB 265, passed in 2007.

Section 2 adds uses for monies in the Nebraska Training and Support Trust Fund.

Section 3 abolishes the Nebraska Worker Training Board and designates the responsibilities of the board to the Commissioner of Labor.

Sections 4, 5 & 6 amends Neb. Rev. Stat. 48-648, 48-648.01 and 48-649 to reduce the threshold for mandatory electronic filing of combined tax and wage returns and electronic payment of combined tax from an annual payroll of \$500,000 to an annual payroll of \$100,000, beginning with tax years commencing on or after January 1, 2010. Employers would continue to be exempted from electronic filing and payment requirements if electronic filing or payment creates a hardship.

Section 6 also strikes language stating that the state unemployment tax rate is zero percent if the state advisory council determines that such rate is in the best interests of preserving the integrity of the state's account in the Unemployment Trust Fund. The section adds language reserving Category 20 for negative experience balance employers.

Section 7 codifies current practices for charging employers for benefits drawn by part-time employees and benefits based upon combined wage claims.

Section 8 changes the tax rate recalculation process following the acquisition of an existing business to match the fiscal year calculation process enacted in Laws 2005, LB 739.

Sections 9 & 10 allows the Commissioner of Labor to intercept federal income tax refunds for unpaid unemployment taxes not paid as the result of fraud and unemployment benefits obtained through fraud.

Section 11 makes technical changes as to how subsections are enumerated in Neb. Rev. Stat. 48-668. Adds language to Neb. Rev. Stat. 48-668 concerning commissioner authorization to enter into agreements with other state agencies when computing unemployment benefits. Specifically, the change would clarify that if an agreement for payment of benefits is made on the basis of combining wages earned in Nebraska and other state(s), it would not be charged against the employer's experience account if absent said agreement the employer's account would not have been charged. If the claimant is not entitled to the benefits, the employer's account will be reimbursed in the same manner absent an agreement.

Section 12 makes technical changes to comport with section 11.

Section 13 repealer.

Section 14 outright repeals Neb. Rev. Stat. 48-610 pertaining to the creation of a state advisory council as its rating functions no longer exist.

Section 15 emergency clause.

Explanation of amendments:

AM 415 strikes section 3 and keeps in existence the Nebraska Worker Training Board. The membership of the board is modified to reflect section 14's repeal of the state advisory council and other technical changes are made to section 6 to allow positive account employers to receive the best tax rate.

Steve Lathrop, Chairperson